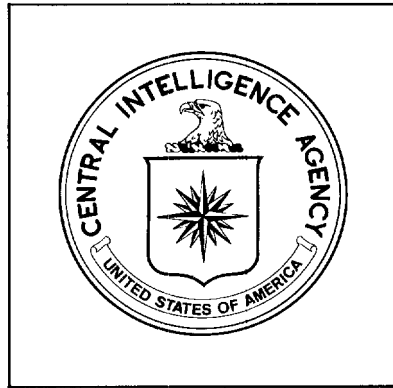


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172

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SOVIET UNION - EASTERN EUROPE

This publication is prepared for regional specialists in the Washington community by the USSR - Eastern Europe Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

CONTENTS

November 25, 1975

The Soviet Leadership.	1
USSR: Industry.	6
Ceausescu on the ECPC.	8
Ceausescu Postpones Kuwait Visit	9
Sino-Albanian Ties Appear Unchanged.	10

25X1D

SECRET SPOKE

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The Soviet Leadership

The Soviet political elite, the party Central Committee, will meet on Monday to discuss next year's economic plan and budget and hear a report on leadership activity since the last plenum in April.

It is also expected to announce the agenda and speakers for the party congress next February, and it may make some changes in the positions of second-echelon leaders. Any of these would provide clues to leadership and policy decisions to be made at the Congress.

Aging Prompts Speculation

Most pre-Congress speculation has centered on the health of party chief Brezhnev and the question of whether or not he will stay in office. Physically, he is not the man he was a year ago. His long-standing cardiovascular problems and this year's persistent dental troubles have taken their toll. His swings in mood have become more pronounced with increasing age and perhaps also because of greater use of stimulants and sedatives. He continues to work on a restricted schedule, and we doubt he will ever be able to return to the strenuous pace of earlier years.

The other top leaders--President Podgorny, Premier Kosygin, senior secretaries Suslov and Kirilenko--are all older than Brezhnev. At the moment their health appears to be more stable than his, but their age means that this remarkably enduring and self-supporting group of senior leaders is in its twilight period.

These circumstances have encouraged East European officials and Soviet officials abroad to predict leadership changes before or at the Congress. The most frequent theme is that Brezhnev will retire or transfer to an honorary post because of serious health problems. Most reports carry no suggestion

November 25, 1975

~~SECRET SPOKE~~

SECRET SPOKE

of a coup or major policy conflict. Generally, the sources of the reports cannot be considered to have access to inside information, but the reports do reflect growing uncertainty among communist officials. This can itself detract from the political strength of the seniors.

The Shape of the Leadership

If change at the top is to be other than medically related and voluntary, what is the engine that will drive it? The senior leaders are not contenders for Brezhnev's job, and they probably identify their own security with keeping Brezhnev in place. Junior leaders who have long been waiting in the wings are still doing just that--waiting. Many are handicapped because they are poorly placed, lack a clear claim to a higher post, or have been ill. Those younger leaders who have shown impatience for power have already been weeded out.

In fact, the past year has reinforced the impression that if Brezhnev were to relinquish his post in the near future, Kirilenko would serve as an interim successor. His status as Brezhnev's deputy was enhanced during Brezhnev's long hospitalization and recuperation early this year. He performed as one who is not pushing to replace his boss, but who would be an acceptable replacement to all concerned if the occasion arose.

The leadership seems to have adjusted to the present state of affairs. Brezhnev's colleagues have long been familiar with his swings in mood, hypochondriac tendencies, and physical limitations. Conceivably, Brezhnev's reduced stamina could call into question the busy role he has cut out for himself as advocate for detente and chief negotiator with Western leaders. His lackluster performance at Helsinki this summer demonstrated that problem. Since then he has been eager to show that he is a vigorous leader who can still perform creditably as the country's chief interlocutor with foreigners.

November 25, 1975

SECRET SPOKE

~~SECRET SPOKE~~

Many of Brezhnev's colleagues are probably willing to make allowances for his health problems. In time, the leadership could adopt a more collective style, such as obtained in the 1960s. At present, however, there are no indications of others spelling Brezhnev while he is on duty or of a diminution of his authority either in leadership councils or before the public.

Brezhnev Faces Disappointments

Recent events could give rise to misgivings over various policies. The glow has worn off the two major programs announced by Brezhnev at the last Party Congress: detente and consumer welfare.

In Soviet eyes, the value of detente probably seems somewhat obscured now by political losses in the Middle East, the aggressive response in the West to CSCE, and uncertainties over SALT and the Washington summit. This fall, Brezhnev has devoted attention to domestic matters and the communist movement, perhaps in an effort to mend fences before the Party Congress, perhaps in direct response to reported criticism of his preoccupation with detente.

This year's harvest failure will have a dispiriting effect politically and spotlights the failure to meet the goals of the consumer program. Brezhnev has already had to admit this failure to the Central Committee, and a debate over emphasizing the growth of consumer industries has surfaced in economic and party journals.

Other business is pending. The draft of the next five year plan must be completed soon. Drafting the fifteen year plan has evidently run into difficulty. Progress on other projects mentioned in the past by Brezhnev, including a new constitution and rationalization of agricultural and industrial management, looks even more problematical.

November 25, 1975

~~SECRET SPOKE~~

SECRET SPOKE

Despite these problems, the leadership seems willing to make adjustments in its basic policies without altering them fundamentally. Attractive alternatives to present policies have yet to be put forward with conviction.

The harvest disaster, for example, reflects poorly on the agricultural programs associated with Brezhnev, and politicians have already sought to head off criticism. In the end, however, the drought will probably be seen as an argument against abandoning the present heavy investments in agriculture and the development of the central Russian region. In addition, the drought makes the Soviet Union more dependent on grain imports from the West and, by extension, on detente--a dependency quietly given form in the recent five-year US-Soviet agreement on grain purchases.

Leadership Signals Awaited

The modest turnover in the membership of the Central Committee since the last Congress argues for stability at the top. No patterns have emerged in personnel changes that either strongly favored or detract from one or another leader. The series of party elections building up to the Congress are proceeding on schedule and in an unremarkable fashion.

The most telling indication of failure to prepare for succession is the absence of upward movement of junior members of the leadership. Recent additions to the Politburo have been older officials concerned with foreign policy who are not candidates for higher office. Meanwhile, full membership on the Politburo continues to be withheld from potential comers like RSFSR Premier Solomentsev. Other leadership posts, such as party secretary for culture and trade unions chief, have been left vacant.

The Outlook

The Soviet leadership seems to be coasting on past momentum and the strength of habitual forms that could carry it through the Congress with little

November 25, 1975

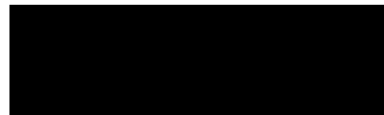
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change. The need for a generational change is pressing; it is a growing factor for instability. As yet there is little evidence, however, of moves to unseat Brezhnev or other senior leaders or even of preparations for an orderly succession.

Deterioration in Brezhnev's health, of course, could at any time prompt a decision to retire or to assume an honorary post. He would be unlikely to retire strictly for political reasons. A voluntary decision, especially in favor of an interim succession under Kirilenko, might be made with little advanced warning and probably, in the short term, with a minimum of disruption to the leadership. (CONFIDENTIAL)

25X1A



November 25, 1975

~~SECRET SPOKE~~

USSR: Industry

Soviet industrial production in the last year of the 1971-75 plan period will grow by more than 6.5 percent--only slightly below last year's healthy increase of nearly 7 percent. Industrial growth for the five year plan, however, will fall short of the target by about one fifth.

Effects on consumer industries of the 1975 harvest failure are as yet only slightly apparent. Hence, the boost in the overall level of consumption posted for the first nine months of 1975 will continue for the balance of the year. Although the growth rate in meat production for the final three months of 1975 will be below the 11 percent increase achieved through the third quarter, it will be high enough to sustain meat supplies. Also, because of tight livestock feed supplies, we do not expect the output of dairy products to be maintained at the third quarter growth rate of 4 percent.

The machinery sector, led by instruments and computers, is up 10 percent through the third quarter, although production of oil equipment, diesel locomotives, and freight cars is below last year's levels. A decline in the growth of agricultural machinery from a 4-year average of 12.5 percent to 9 percent this year coincided with the poor harvest. The Soviets must sustain unusually high growth rates in this sector because a large share of past production is perpetually out of service as a result of high breakdown rates, shortages of spare parts, and a lack of skilled mechanics.

Growth in output of most consumer durables is accelerating slightly this year. The troubled clothing and textile sector, however, is facing an accumulating inventory and is shifting emphasis to quality rather than quantity.

November 25, 1975

SECRET SPOKE

Most branches producing industrial materials have posted higher growth rates through September, with major increases in paper and paperboard, forest products, and chemicals. The improvement in paper production is significant because of the severe paper shortage of last year and early this year. Elsewhere in the materials sector, the failure of the ferrous metals branch to achieve the plan for rolled metals and steel pipe is adding to supply problems in some machinery branches. (CONFIDENTIAL)

25X1A

November 25, 1975

-7-

SECRET SPOKE

Ceausescu on the ECPC

Romanian media still have not commented on last week's preparatory meeting in East Berlin for the proposed European Communist Party Conference (ECPC). A Turkish news interview with President Ceausescu just prior to the session was printed in the party daily *Scinteia* on November 23. In the absence of anything else, the interview can be taken as an authoritative statement of Bucharest's position.

The interview provides a candid view of the obstacles the Kremlin encountered when it tried to use the ECPC to re-establish Soviet authority over the European parties. Ceausescu emphasized the independence of all participating parties by characterizing the proposed gathering as an "exchange of views" and "a means by which all forces should act to implement the principles adopted at Helsinki." He also questioned the need for a final ECPC document, noting that if one is adopted, it should be by "general consensus."

The Romanian leader restated Bucharest's ground rules for participating in the conference--no guiding center for international communism, a free exchange of ideas, and recognition that each party must set its own line in accordance with the realities in which it exists.

The embassy notes that there could hardly be a more limp and diluted attitude toward ECPC and adds that it has rarely seen Soviet and East German diplomats "so defensive and ill at ease" in discussing the Berlin meeting. By contrast, the Yugoslavs have seldom been more outspoken in describing the "regression" of the ECPC preparations and in acknowledging the gap between the "independents" and "orthodox" parties. (CONFIDENTIAL)



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November 25, 1975

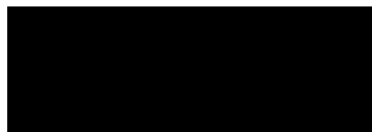
Ceausescu Postpones Kuwait Visit

Romanian President Ceausescu has abruptly postponed the three-day visit to Kuwait that was scheduled to begin today. The stop in Kuwait was to precede a visit to Iran from November 27 to December 1. The Iranian visit will apparently still take place.

The Kuwaiti press speculates that Bucharest may have put off the visit because the Kuwait National Assembly failed--after four attempts--to ratify a bilateral trade agreement with Romania. The Assembly's debate centered on Romanian support for Israel in the UN, the fact that Romania was the only East European state that did not break relations with Israel in 1967, and Romania's failure to vote for the UN resolution equating Zionism with racism.

The Romanians have been successful in overcoming some of their problems with the more militantly anti-Israeli Arabs. They have, however, found it particularly difficult to convince the Kuwaitis of the merits of Bucharest's "balanced" Middle East policy. In an apparent effort to mollify Ceausescu, a spokesman for the Kuwait government has said that he will be welcome in his country at any time. (CONFIDENTIAL)

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November 25, 1975

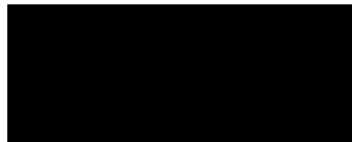
Sino-Albanian Ties Appear Unchanged

Western press speculation about strains in Sino-Albanian relations appears to be unfounded.

A lead editorial in *Zeri I Popullit*, the Albanian party's official paper, gave a ringing endorsement to Tirana's ties with Peking on November 23, the anniversary of the establishment of diplomatic relations. The paper noted that with China's aid, Albania "has built and is building a series of important projects for the national economy." The substance and tone of the editorial seem to lay to rest rumors that the Chinese have made any significant change in their aid commitment to the Albanians.

Tirana has reportedly just gone through a widespread personnel purge in a campaign against the growth of "bureaucracy." The extent to which the purge may have involved elements favoring better relations with Moscow is uncertain, but *Zeri I Popullit* left no stone unturned in striking out against all "revisionist enemies"--read, the Soviet Union and its supporters.

The same strident theme was taken up by Central Committee secretary and Politburo member Hysni Kapo in a recent address before the People's Assembly session, which is drafting a new constitution. Kapo asserted that the new constitution must endorse "a series of important revolutionizing measures" that the party has adopted to "uproot the evil of bureaucratism and liberalism." (CONFIDENTIAL)



25X1A

November 25, 1975

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